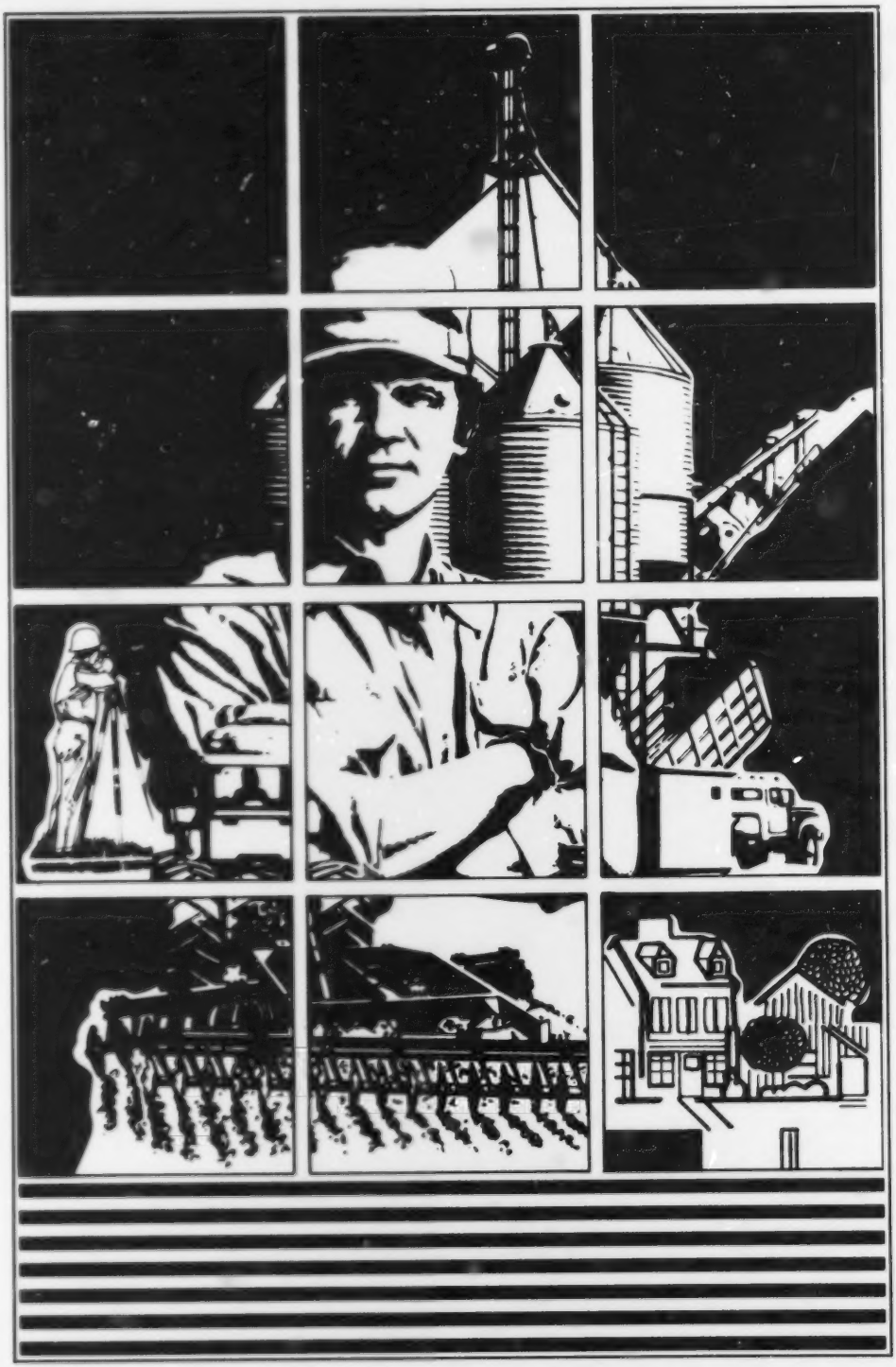
Department
of Telephones
Saskatchewan

Annual Report
1989

Saskatchewan



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Annual Report

DEPARTMENT OF TELEPHONES
Province of Saskatchewan
Calendar year 1989

Hon. J. Gary Lane
Minister

Mr. Doug Smith
Deputy Minister

Hon. J. Gary Lane
Minister of Telephones

REGINA, Saskatchewan
January, 1990

TO HER HONOUR

The Honourable Sylvia Fedoruk, O.C., S.O.M.,

Lieutenant Governor of the Province of Saskatchewan.

Dear Lieutenant Governor:

I have the honour to submit herewith, the report of the Department of Telephones covering the activities of the rural telephone systems in the province for the calendar year 1989.

I have the honour to be,

Your obedient servant,

J. Gary Lane, Q.C.
Minister of Telephones.

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1989 Report at a glance

- During 1989, two rural telephone companies, with 134 subscribers joined SaskTel making a total of 700 companies with over 48,401 subscribers assimilated in the last thirteen years.
- As of December 31, 1989, there are 4 Rural Telephone Companies in the Province of Saskatchewan.
- Rural telephone company spending totalled $6,985.87, down 60% from the previous year.
- As of 1984, all existing rural telephone companies were debt free.

Administration

Rural telephone companies historically were responsible for providing telephone service to Saskatchewan's farming population. During the last 13 years, 700 companies have voluntarily given the responsibility for their serving area to SaskTel.

Under Section 5 of The Telephone Department Act, SaskTel administers The Rural Telephone Act and gives advice and guidance to rural companies for constructing and maintaining their plant to approved standards.

During 1989 SaskTel provided technical assistance to rural companies, as well as administrative help in winding up the companies that have joined SaskTel. Meetings were held with subscribers and boards of companies interested in joining SaskTel under the Voluntary Assimilation Program.

Companies assimilated during 1989

Name	Connecting point	Number of subscribers	Assimilation date
Loreburn	Loreburn	83	January 4, 1989
St. Boswells	Hodgeville	51	January 4, 1989
	Total	**134**	

Grant programs - 1960 to 1986

In 1960, a program of grants was introduced providing funds to rural telephone companies that would assist and encourage them to upgrade the quality and reliability of the telephone service they provided to their subscribers. Grants were discontinued in 1986 with the introduction of SaskTel's Rural Individual Line Service Program.

Instrument grant - 1960 to 1974

$989,483 was paid to provide dial-operated telephones free of charge in exchange for the magneto telephones.

Pole grant - 1960 to 1974

Approximately $1,700,000 was paid to assist in the purchase of over 700,000 treated poles.

Maintenance grant - 1960 to 1986

An annual grant of $2.50 per subscriber, of which approximately $1,786,000, was paid to rural companies who maintained their plant to approved standards. The Maintenance grant was discontinued after 1986.

Circuit grant - 1965 to 1986

The circuit grant was started in 1965 when reliable cable became available and replaced pole line construction almost immediately. It reduced the number of above-ground obstacles from an average of 25 poles per mile to an average of two pedestals per mile. The circuit grant cost approximately $4,791,000 and was discontinued in 1986 because of SaskTel's Rural Individual Line Service Program.

Operational assistance to rural telephone companies

There were six rural telephone companies still in operation at the beginning of 1989 and the department staff continued to offer technical advice and assistance as in the past.

Four general meetings were attended concerning assimilation, and six board meetings were held with SaskTel Officials to discuss Rural Individual Line Service and the Voluntary Assimilation Program.

The annual financial report of each rural company was reviewed and recorded. Details from the statements are included in this report.

The Voluntary Assimilation Program

Responding to requests from rural telephone companies and the Association of Rural Telephone Companies, SaskTel, in 1976, announced two new programs.

The Voluntary Assimilation Program allows any rural telephone company to voluntarily give the responsibility for providing telephone service in its area to SaskTel. The Rural Service Improvement Program essentially provided for all rural telephone plant in the province to be buried with no more than four subscribers per circuit.

In the 10 years prior to 1976, SaskTel's Unserved Area Program assisted rural companies greatly by burying cables to pockets of farmers situated beyond the rural company serving area, allowing rural companies along the cable routes to rent cable pairs or in some instances to join SaskTel. Over 100 rural companies joined SaskTel during that period with 700 companies joining SaskTel in the last thirteen years.

In 1986, the Rural Individual Line Service Program was introduced. This program provides private line service to rural subscribers in the province and is scheduled to be completed during 1991. This program requires all rural companies to provide private line service to their subscribers. Should a rural telephone company find it is not feasible to carry out this program, an opportunity to assimilate with SaskTel is offered, in accordance with The Rural Telephone Act.

The following indicates rural companies assimilated in the past by SaskTel:

Year	Number of companies	Number of subscribers	Year	Number of companies	Number of subscribers
1967	1	5	1979	32	3,041
1968	8	96	1980	35	2,059
1969	2	25	1981	26	1,392
1970	-	-	1982	30	1,666
1971	8	225	1983	1	222
1972	-	-	1984	6	255
1973	8	528	1985	3	86
1974	22	677	1986	11	285
1975	27	715	1987	14	694
1976	29	1,570	1988	11	419
1977	460	33,603	1989	2	134
1978	69	4,545			

At year end, there were 4 applications for assimilation of the remaining 4 companies.

Rural Saskatchewan goes private line

Ever since SaskTel was created, over 80 years ago, the corporation has constantly maintained its leadership in the telecommunications industry. SaskTel's objective has always been to provide Saskatchewan residents with the most modern telecommunications facilities possible. In 1986, SaskTel took another bold step into the future. The individual line service project will result in the elimination of rural multi-party lines in the province by early 1991.

All rural telephone companies were expected to upgrade their network system to accept this new service or to assimilate with SaskTel.

Besides the advantages of privacy and convenience, individual line service will provide full access to a broad range of communication services and products previously available only to urban residents. Rural individual line customers ultimately will be able to select from a full range of products such as cordless phones, telephone answering units, and telephone sets which can handle both voice and data transmission. Business customers, including those in the agricultural industry, will be offered an extensive line of other telecommunications options and services.

As of this year, the last of the rural telephone companies have expressed their desire to assimilate with SaskTel so they too may become a part of this exciting new era, where the rural party line will soon become a thing of the past.

Summary of statistical returns from rural telephone companies

Size of companies	Number of companies			Number of telephones (all companies)		
Subscribers	1987	1988	1989	1987	1988	1989
1 - 10	—	1	1	24	8	8
11 - 25	6	1	1	98	11	11
26 - 50	5	3	—	110	—	—
51 - 100	3	4	2	164	284	112
101 - 200	2		—	241	—	—
	17	6	4	637	303	131

Receipts and expenditures

	1987	1988	1989
Rentals Received	$ 25,602	$ 4,603	$ 800
Total Receipts	$ 37,930	$ 14,714	$ 1,109
Total Expenditures	$ 42,555	$ 17,540	$ 6,985

PROVINCE OF SASKATCHEWAN
ANNUAL REPORT OF RURAL TELEPHONE COMPANIES
As at December 31, 1989

Name of Company	Connecting Point	Rental Received	Total Receipts	Total Expenditures	Kilometers				Farms	No. of Telephones		
					Open Wire		Buried					
					Route	Circuit	Route	Circuit		Res.	Bus.	Total
o Balcarres West	Balcarres	00	0	419.82	—	—	10	23	11	11	—	11
o East Borden	Borden	480.00	687.80	2,937.21	—	—	48	187	51	51	—	51
o Pelly	Pelly	00	70.30	3,306.48	—	—	44	42	61	61	—	61
o Redrows	Balcarres	320.00	350.76	322.36	—	—	16	14	8	8	—	8
TOTAL (4 Companies)		**$800.00**	**1,109.36**	**6,985.87**								**131**

o **Applied to assimulate**